



Utah Partnership/Limited Liability Partnership/ Limited Liability Company Return of Income	2002 TC-65
For the year ending Dec. 31, 2002, or fiscal taxable year beginning _____ and ending _____.	Rev. 12/02

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Partnership/Limited Liability Partnership/Limited Liability Company Name		
Address		
City	State	Zip Code
Telephone Number	Employer Identification Number (EIN)	

Indicate whether the entity named above is a: ☒ **General or Limited Partnership** ☐ **Limited Liability Partnership** ☐ **Limited Liability Company**

Attach a copy of the federal Form 1065 without K-1s, except for nonresident partners/members whose Utah reportable income is over \$1,000.

1. Number of partners/members who are not Utah residents _____ (If all partners/members are Utah residents, complete lines 2, 3, 4 and 5 only)	1	
2. Date registered in Utah (MM/DD/YY) _____	2	
3. If dissolved, date of dissolution (MM/DD/YY) _____	3	
4. Did the entity have income derived from Utah sources or maintain a bona fide office, store, factory or place of business in Utah? _____	4	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Amount of Utah income (Attach Schedules A and B, if applicable.) _____	5	00
6. Percentage of Utah income attributable to nonresidents _____	6	%
7. Is this a composite return on behalf of nonresident partners/members? If you answered yes to line 7, you must complete lines 8 through 15	7	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Utah income attributable to nonresident partners/members included in composite filing (Attach form TC-65, Schedule N) _____	8	00
9. Deduction amount (multiply line 8 by .15) _____	9	00
10. Utah taxable income attributable to nonresident partners/members included in composite filing (line 8 minus line 9) _____	10	00
11. Tax rate _____	11	.07
12. Tax (line 10 multiplied by line 11) _____	12	00
13. Taxes prepaid (this includes extension prepayments and voluntary prepayments) _____	13	00
14. Net tax due (if line 12 is greater than line 13, subtract line 13 from line 12) _____	14	00
15. Refund (if line 13 is greater than line 12, subtract line 12 from line 13) _____	15	00

Under penalties of perjury, I declare that to the best of my knowledge, this return and accompanying schedules are true, correct and complete.

Signature of general partner/member

Date

Official Use Only

Paid Preparer's Section	Paid preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN / PTIN
	Firm's name (or yours if self-employed)	Telephone number	Employer identification number	
	Paid preparer's complete address	City	State	ZIP Code

Return to be filed with the Utah State Tax Commission, 210 N 1950 W, SLC, UT 84134-0270, telephone (801) 297-2200 or 1-800-662-4335.

TC-65 Instructions

1. Returns by Partnership/Limited Liability Partnership (LLP)/Limited Liability Company (LLC).

Every partnership/LLP/LLC having a resident partner/member, or having any income derived from sources in Utah, must file a return on form TC-65 for the taxable year, and must attach a copy of its federal partnership return, form 1065, for the same year (without Schedules K-1) and a schedule of modifications, if any, as required by instruction 13. In addition, a complete federal Schedule K-1 must be attached for each nonresident partner/member whose Utah reportable income is over \$1,000. Do not send Schedules K-1 for Utah resident partners/members.

2. When and where the return must be filed.

A return must be filed with the Utah State Tax Commission, 210 N 1950 W, SLC, UT 84134-0270 on or before the 15th day of the fourth month following the close of the fiscal year or by April 15th for a calendar year business. If the due date falls on a Saturday, Sunday, or legal holiday, the return will be due the following business day.

3. Extension of time for filing return.

Taxpayers are automatically allowed an extension of up to six months to file their returns. This is an extension of time to file the return and not an extension of time to pay tax due. To avoid penalty and interest, the prepayment requirements must be met on or before the original due date and all returns must be filed within the six-month extension period.

The prepayment must equal at least 90 percent of the tax due in the current year, or 100 percent of the previous year's Utah tax liability.

Underpayment of extension prepayment is subject to penalty (see below).

4. Schedules for partner/member information.

List all general partner/member information on form TC-65 Schedule G; List all limited partner/nonmanaging member information on form TC-65 Schedule L.

Additional copies of these schedules may be photocopied or printed from our web site: tax.utah.gov.

5. Penalties.

Utah law provides for uniform tax penalties for failure to file tax returns, failure to pay tax due, and failure to file information returns or supporting schedules.

The penalty for **failure to file a tax due return** by the due date is the greater of \$20 or 10 percent of the unpaid tax. If a tax balance is still unpaid 90 days after the due date, a second penalty, of \$20 or 10 percent of the unpaid tax, whichever is greater, will be added for failure to pay timely.

The penalty for **failure to pay tax due** as reported on a timely filed return, or within 30 days of a notice of deficiency, is \$20 or 10 percent of the unpaid tax, whichever is greater.

The penalty for **underpayment of the extension prepayment** is 2 percent per month of the unpaid tax during the extension period. If the return is not filed by the extension due date, penalties may apply, as if the extension had not been granted.

The penalty for **failure to file an information return** or a complete supporting schedule is \$50 for each return or schedule up to a maximum of \$1,000.

For a list of additional penalties that may be imposed, refer to Utah Code Ann. Section 59-1-401.

6. Interest.

Interest is assessed at the rate prescribed by law from the original due date until paid in full. The interest rate applicable for most taxes and fees administered by the Tax Commission is 2 percentage points above the federal short-term rate in effect for the preceding fourth calendar quarter. The IRS publishes this rate in September of each year.

The interest rate for most taxes and fees administered by the Tax Commission for the 2003 calendar year is **5 percent**.

Form TC-15, which contains applicable interest rates, is available on the Internet or by calling or writing the Utah State Tax Commission 210 N 1950 W, SLC, UT 84134, telephone number (801) 297-6700 or 1-800-662-4330 ext. 6700.

7. Signature.

In the case of a partnership/LLP, the return must be signed by a general partner. In the case of an LLC, the return must be signed by a member or, if the LLC has vested management in a manager or managers, the return must be signed by one of these managers. If receivers, trustees in bankruptcy, or assignees are operating the property or business of the partnership/LLP/LLC, then the receiver, trustee, or assignee must sign the return.

8. Partnership/LLP/LLC not subject to tax.

A partnership/LLP/LLC is not subject to Utah income tax. Partners/members conducting business are liable for Utah income tax in their separate or individual capacities. However, see Instruction 15.

9. Federal taxable income.

Utah law defines federal taxable income as "taxable income as currently defined in Section 63, Internal Revenue Code, 1986." Since Utah's taxable income is based on the federal taxable income, a partner's ability to carry forward and carry back partnership losses is determined on a federal level. The loss taken by a partner in a given year must match the loss taken on the federal return. Losses cannot be independently carried back and carried forward in any given year on the partner's state return.

10. Character of partnership/LLP/LLC items.

(a) Each item of partnership/LLP/LLC income, gain, loss or deduction has the same character for a partner/member as it has for federal income tax purposes. When an item is not characterized for federal income tax purposes, it has the same character for a partner/member as if realized directly from the source realized by the partnership/LLP/LLC, or incurred in the same manner as incurred by the partnership/LLP/LLC.

(b) Where a partner's/member's distributive share of an item of partnership/LLP/LLC income, gain, loss or deduction is determined for federal income tax purposes by a special provision in the partnership/LLP/LLC agreement with respect to such item, and where the principal purpose of such provision is the avoidance or evasion of tax, the partner's/member's distributive share of such item and any modification with respect thereto shall be determined as if the partnership/LLP/LLC agreement made no special provision with respect to that item.

(c) In determining state taxable income of a resident partner/member, any modification (such as U.S. government bond interest) that relates to an item of the partnership/LLP/LLC income, gain, loss or deduction shall be made in accordance with the partner's/member's distributive share, for

federal income tax purposes, of the items to which the modification relates. Where a partner's/member's share of any such item is not required to be taken into account separately for federal income tax purposes, the partner's/member's distributive share of such item shall be determined in accordance with his distributive share, for federal income tax purposes, of partnership/LLP/LLC income or loss generally.

11. Nonresident or part-year resident share of partnership/LLP/LLC items.

(a) In determining the adjusted gross income of a nonresident partner/member of any partnership/LLP/LLC, there shall be included only that part derived from or connected with sources in this state of the partner's/member's distributive share of items of partnership/LLP/LLC income, gain, loss or deduction entering into the partner's/member's federal adjusted gross income. (The Utah portion may be shown alongside the total for each item amount as an attachment to the return.)

(b) In determining the sources of a nonresident partner's/member's income, no consideration will be given to a provision in the partnership/LLP/LLC that:

(1) Characterizes payments to the partner/member as being for services or for the use of capital, or allocates to the partner/member, as income or gain from sources outside this state, a greater portion of his distributive share of partnership/LLP/LLC income or gain than the ratio of partnership/LLP/LLC income or gain from sources outside this state to partnership/LLP/LLC income or gain from all sources, except as provided for in 11(d);

(2) Allocates to the partner/member a greater portion of a partnership/LLP/LLC item, loss or deduction connected with sources in this state than his proportionate share, for federal income tax purposes, of partnership loss or deduction generally, except as provided in 11(d).

(c) Any modification (such as for U.S. government bond interest) that relates to an item of partnership/LLP/LLC income, gain, loss, or deduction, shall be made in accordance with the partner's/member's distributive share for federal income tax purposes of the item to which the modification related, but limited to the portion of such item derived from or connected with sources in this state.

(d) The Utah State Tax Commission may, on application, authorize the use of other methods of determining a nonresident partner's/member's portion of a partnership/LLP/LLC item derived from or connected with sources in this state, and the modification related thereto, as may be appropriate and equitable, on such terms and conditions as it may require.

(e) A nonresident partner's/member's distributive share of items of income, gain, loss or deduction shall be determined as provided in instruction 10(c) above. The character of partnership/LLP/LLC items for a nonresident partner/member shall also be determined as provided in instruction 10(a) above. The effect of a special provision in a partnership/LLP/LLC agreement, other than a provision referred to in 11(b) above, having as a principal purpose the avoidance or evasion of tax, shall be determined as provided in instruction 10(b).

12. Mineral producers or payers.

If the partnership/LLP/LLC is a producer or other person paying proceeds in connection with mineral properties located within Utah, the partnership/LLP/LLC must report to each partner/member the partner's/member's share of mineral production withholding tax withheld and remitted to the Utah State Tax Commission. The producer must furnish a copy of form TC-675R to the recipients. The recipient will take credit

against the tax for the amount withheld and attach a copy to the Utah individual income tax return, fiduciary tax return or corporation tax return. The recipient must retain a copy for verification of the amounts of tax withheld by the producer.

If the partnership/LLP/LLC is the recipient of proceeds in connection with mineral properties located within Utah, the partnership/LLP/LLC should attach a copy of form TC-675R to the partnership/LLP/LLC return. The amounts withheld are allocated to each partner/member in proportion to each partner's/member's share of income and should be shown on the federal Schedule K-1, form 1065.

13. Nonresident Partner's Income.

Complete Schedule A to determine the Utah income amount for non-resident partners. If the partnership does business both within and outside of Utah, the portion of the non-resident partnership income attributable to Utah is determined by completing Schedule B and then Schedule A.

14. Modifications.

Instructions 10(c) and 11(c) discuss modifications which may be needed to determine the state taxable income of a partner/member.

15. Partnerships/LLPs/LLCs may file a composite income tax return (lines 7 through 15 of form TC-65) on behalf of individual nonresident partners/members that meet the following conditions:

(a) Only individual nonresident partners/members with no other income from Utah sources may be included on the return. Nonresident members listed on the return may not file a Utah individual income tax return. Resident partners/members may not be included on lines 7 through 15 of the return.

(b) Schedule N must be included with the return. The schedule shall list the information indicated for all individual nonresident partners/members included in the composite filing.

(c) If individual nonresident partners/members have other sources of Utah income or are entitled to credits, such as credits for mineral production taxes withheld, agricultural off-highway gas credits, or other Utah credits, those partners/members must file an individual TC-40. They cannot be included in the composite filing. Refunds will not be issued or allowed on composite returns filed.

16. The tax shall be computed using the maximum tax rate applied to Utah taxable income attributable to Utah sources after allowing the following:

(a) A deduction equal to 15 percent of the Utah taxable income attributable to nonresident partners/members included in the composite filing.

(b) No deductions shall be allowed for standard deductions or itemized deductions, personal exemptions, federal tax determined for the same period, or any other deductions except as specified in 16(a).

17. Additional Information.

Additional information concerning Utah income tax requirements as they affect partnerships/LLPs/LLCs and partnership/LLP/LLC returns are contained in the Utah Code and the rules of the Utah State Tax Commission.

18. Rounding off to whole dollar amounts.

All entries must be reported in whole dollar amounts.

If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at (801) 297-3811 or Telecommunication Device for the Deaf (TDD) (801) 297-2020. Please allow three working days for a response.

TC-65 Schedule A - Computation of Utah Income

TC-65A
Rev. 12/02

Partnership name		Taxable year ending		Employer Identification Number	
1. Ordinary income (loss) from trade or business activities from line 1 of federal form 1065, Schedule K		1.	00		
2. Net income (loss) from rental real estate activities from line 2 of federal form 1065, Schedule K.		2.	00		
3. Net income (loss) from other rental activities from line 3c of federal form 1065, Schedule K		3.	00		
4. Portfolio income (loss) from other rental activities from line 4a through 4f of federal form 1065, Schedule K		4.	00		
5. Guaranteed payments to partners from line 5 of federal form 1065, Schedule K		5.	00		
6. Net gain (loss) under section 1231 (other than due to casualty of theft) from line 6 of federal form 1065, Schedule K		6.	00		
7. Other income (loss) from line 7 of federal form 1065, Schedule K		7.	00		
8. TOTAL income from federal form 1065, Schedule K (add lines 1 through 7)		8.		00	
9. Section 179 expense deduction from line 9 of federal form 1065, Schedule K		9.	00		
10. Deductions related to portfolio income from line 10 of federal form 1065, Schedule K		10.	00		
11. Other deductions from line 11 of federal form 1065, Schedule K		11.	00		
12. Interest expense on investment debts from line 14a of federal form 1065, Schedule K		12.	00		
13. Total foreign tax from line 17g of federal form 1065, Schedule K		13.	00		
14. Section 59(e)(2) expenditures from line 18b of federal form 1065, Schedule K		14.	00		
15. TOTAL deductions from federal form 1065, Schedule K (add lines 9 through 14)		15.		00	
16. NET income from federal form 1065, Schedule K (subtract line 15 from line 8)		16.		00	
17. Interest from U. S. Government obligations included on line 4 above		17.		00	
18. NET income subject to apportionment (subtract line 17 from line 16)		18.		00	
19. Apportionment fraction to six decimals (100% or from line 7, TC-65, Schedule B)		19.			
20. UTAH income amount (multiply line 18 by line 19) Enter here and on line 5 of TC-65.		20.		00	

Instructions for TC-65 Schedule A

General Instructions

Use Schedule A to determine the Utah income amount for nonresident partners. If the partnership does business both within and outside of Utah, the portion of the nonresident partnership income attributable to Utah is determined by completing Schedule B prior to Schedule A.

Lines 1-7 and 9 -14

Add income or deduct losses that are directly passed through to the partners as shown on federal Schedule K, lines 1-18b. Lines 1-7 and 9 -14 of this form reference the line from federal Schedule K where the pass-through income or deductions can be found.

Line 8 - Total Income from Federal Schedule K

Add lines 1 through 7. Enter the total on line 8.

Line 15 - Total Deductions from Federal Schedule K

Add lines 9 through 14. Enter the total on line 15.

Line 16 - Net Income from Federal Schedule K

Subtract line 15 from line 8. Enter the amount on line 16.

Line 17 - Interest from U.S. Government Obligations

See Pub 33, U.S. Government Obligations. Enter the amount on line 17.

Line 18 - Net Income Subject to Apportionment

Subtract line 17 from line 16. Enter the amount on line 18.

Line 19 - Apportionment Fraction

Either 100% or the percentage calculated on Schedule B, line 7. Enter the amount on line 19.

Line 20 - Amount of Utah Income

Multiply line 18 by line 19. Enter the total on line 20. Use this total as the amount to enter on line 5 of the partnership form, TC-65.

TC-65 Schedule B - Apportionment Schedule

TC-65B
Rev. 12/02

Partnership name	Taxable year ending	Employer Identification Number
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Describe briefly the nature and locations(s) of your Utah business activities

	Inside Utah Column A		Inside and outside Utah Column B	
1. Tangible Property				
(a) Land	1(a)	00		00
(b) Depreciable assets	1(b)	00		00
(c) Inventory and supplies	1(c)	00		00
(d) Rented property.....	1(d)	00		00
(e) Other tangible property	1(e)	00		00
2. Total tangible property (add lines 1(a) through 1(e))	2	00		00
(a) Fraction (divide line 2, column A by line 2, column B)			2(a)	
3. Wages, salaries, commissions and other compensation	3	00		00
(a) Fraction (divide line 3, column A by line 3, column B)			3(a)	
4. Gross receipts from business				
(a) Sales (gross receipts less returns and allowances)			4(a)	00
(b1) Sales delivered or shipped to Utah purchasers from outside Utah	4(b1)	00		
(b2) Sales delivered or shipped to Utah purchasers from within Utah	4(b2)	00		
(c1) Sales shipped from Utah to the United States Government	4(c1)	00		
(c2) Sales shipped from Utah to the purchasers in a state(s) where the taxpayer has no nexus. (The partnership/LLP/LLC is not taxable in the state of purchaser)	4(c2)	00		
(d) Rent and royalty income	4(d)	00		00
(e) Service income (attach schedule)	4(e)	00		00
5. Total sales and services (add lines 4a through 4e)	5	00		00
(a) Fraction (divide line 5, column A by line 5, column B)			5(a)	
6. Total of lines 2a, 3a and 5a			6	
7. Calculate the Apportionment Fraction to six decimals: (divide line 6 by 3 or the number of factors present) Enter on Schedule A, line 19.			7	

Instructions for TC-65 Schedule B

General Instructions

Use Schedule B to calculate the portion of the nonresident partnership income attributable to Utah, if the partnership does business both within and outside of Utah.

Determine apportionment fraction by completing this schedule. The factors express a percent for tangible property in Utah, for wages and salaries in Utah, and for sales in Utah. Add these factors together and divide by the number of factors present (typically 3) to arrive at the Utah apportionment fraction calculated to **six decimals**. Apply this fraction to the net income (or loss) to arrive at the amount of income (or loss) apportioned to Utah. In cases where one or more of the factors are omitted due to peculiar aspects of the business operations, divide by the number of factors present.

Briefly describe the nature and location(s) of your Utah business activities in the space provided at the top of this schedule.

Lines 1(a)-1(e) - Tangible Property

Show the average cost value during the taxable year of real and tangible personal property used in the business within the state (including leased property) in column A; and overall (including Utah) in column B.

Property owned by the partnership/LLP/LLC is valued at its original cost. Property rented by the partnership/LLP/LLC is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the partnership/LLP/LLC less the annual rental rate received by the partnership/LLP/LLC from subrentals.

The average value of property must be determined by averaging the cost values at the beginning and ending of the tax period. However, monthly values may be used or required if monthly averaging more clearly reflects the average value of the partnership/LLP/LLC's property.

A supporting schedule should be attached whenever monthly averaging is used.

Line 2 - Total Tangible Property

Enter totals of lines 1(a)-1(e) in the respective columns.

Line 2(a) - Property Fraction

Determine property fraction: line 2, column A divided by line 2, column B.

Line 3 - Wages, Salaries, Commissions, and Other Includable Compensation

Wages, salaries, commissions, and other includable compensation paid to employees for personal services must be included in the Utah factor to the extent that the services, for which the compensation was paid, were rendered in Utah.

Compensation is paid in the state if:

- (1) The individual's service is performed entirely within the state
- (2) The individual's service is performed both within and outside the state, but the service performed outside the state is incidental to the individual's service within the state; or
- (3) Some of the service is performed in the state and
 - (a) the base of operations or, if there is no base of operation, the place from where the service is directed or controlled within the state, or

- (b) the base of operations or the place where the service is directed or controlled is not in any state where some part of the service is performed, but the individual's residence is in this state.

Amounts reportable for employment security purposes may ordinarily be used to determine the wage factor.

Line 3(a) - Fraction

Line 3, column A divided by line 3, column B. Overall wages, including Utah, are listed in column B.

Lines 4(a)-4(e) - Gross Receipts from Business

The sales factor is the percentage the sales or charges for services within the state for the taxable year bear to the overall sales for the taxable year. Gross receipts from the performance of services are in this state to the extent the services are performed in this state.

Sales of tangible personal property are in this state if the property is delivered or shipped to a purchaser within this state regardless of the F.O.B. point or other conditions of the sale, or if the property is shipped from an office, store, warehouse, factory, or other place of storage in this state and (1) the purchaser is the United States government, or (2) the partnership/LLP/LLC is not taxable in the state of the purchaser.

Nexus: The jurisdictional link that must be present before a state may tax a partnership upon its activities within a state's borders.

Line 5 - Total Sales and Service

Enter totals of lines 4(a)-4(e) in their respective columns.

Line 5(a) - Sales Fraction

Determine sales fraction: line 5, column A divided by line 5, column B. Overall sales, including Utah, are listed in column B.

Line 6 - Total Fraction

Enter total of lines 2(a), 3(a) and 5(a).

Line 7 - Apportionment Fraction

Calculate the apportionment fraction to six decimals: Line 6 divided by the number of factors used (typically 3 - property, wages, and sales). If one or more of the factors are not present (i.e., there is a zero represented on lines 2, 3 or 5 in column B), divide by the number of factors present. Enter the apportionment fraction here and on Schedule A, line 19.

Specialized Apportionment Rules

Specialized apportionment rules apply for:

- * Trucking Companies (R865-6F-19)
- * Railroads (R865-6F-29)
- * Publishing Companies (R865-6F-31)
- * Financial Institutions (R865-6F-32)
- * Telecommunication (R865-6F-33)

Utah Partnership/Limited Liability Partnership/Limited Liability Company Return of Income
TC-65 Schedule G

TC-65G
Rev. 12/02

Partnership/Limited Liability Partnership/Limited Liability Company Name

Taxable Year Ending

Employer Identification Number

General Partners/Managing Members

Please make any corrections in the space provided

SSN/EIN: _____

Name: _____

Address: _____

City: _____

State: _____ ZIP Code: _____

Telephone: _____

Date Affiliated: _____ Date Withdrawn: _____

- ☐ Individual
- ☐ Corporation
- ☐ Partnership
- ☐ Limited Liability Partnership
- ☐ Limited Liability Company

SSN/EIN: _____

Name: _____

Address: _____

City: _____

State: _____ ZIP Code: _____

Telephone: _____

Date Affiliated: _____ Date Withdrawn: _____

- ☐ Individual
- ☐ Corporation
- ☐ Partnership
- ☐ Limited Liability Partnership
- ☐ Limited Liability Company

SSN/EIN: _____

Name: _____

Address: _____

City: _____

State: _____ ZIP Code: _____

Telephone: _____

Date Affiliated: _____ Date Withdrawn: _____

- ☐ Individual
- ☐ Corporation
- ☐ Partnership
- ☐ Limited Liability Partnership
- ☐ Limited Liability Company

SSN/EIN: _____

Name: _____

Address: _____

City: _____

State: _____ ZIP Code: _____

Telephone: _____

Date Affiliated: _____ Date Withdrawn: _____

- ☐ Individual
- ☐ Corporation
- ☐ Partnership
- ☐ Limited Liability Partnership
- ☐ Limited Liability Company

TC-65L
Rev. 12/02

Employer Identification Number

[illegible]

Duplicate this form if additional sheets are necessary

TC-65N
Rev. 12/02

Partnership/Limited Liability Partnership/Limited Liability Company Name	Taxable Year Ending	Employer Identification Number

Nonresident Tax Remittance Information

Instructions: Partnerships/limited liability partnerships/limited liability companies that are making income tax payments on behalf of nonresident partners/members should complete this form. These are partnerships/limited liability partnerships/limited liability companies that file a composite return.

Composite partnership/limited liability partnership/limited liability company filers should list below all nonresident partners/members for whom Utah individual income tax is being paid. The social security number (SSN) or employer identification number (EIN), the percentage of partnership/limited liability partnership/limited liability company income, and the Utah income attributable to each nonresident partner/member must be indicated.

[illegible]

TOTAL (also enter on TC-65, line 8) _____

Duplicate this form if additional sheets are necessary